California

Volume 6, Issue 11 November 2002

William (Bill) Lyons, Jr.
Secretary

National Dairy Situation and Outlook

Milk Production and Cow Numbers

Monthly: Compared to 2001, overall milk production across the U.S. was up 3.5% in September, led by Arizona's 15.7% growth in milk production (on 10,000 more cows and 120 more pounds per cow). California's production was up 5.9% (on 51,000 more cows and 45 more pounds per cow). Among other western states, New Mexico was up 13.1%, Idaho up 6.1%, and Washington up 1.1%. Two of the top 10 states reported decreases: Minnesota -2.1% and Pennsylvania -0.8%.

Quarterly: For the third quarter of 2002 compared to the third quarter of 2001, U.S. milk cow numbers rose to 9.160 million, production per cow was up 2.3%; the net effect was a 3.0% increase in milk production to 42.0 billion pounds. USDA projects that for the fourth quarter of 2002 compared to the fourth quarter of 2001, U.S. milk cow numbers will decrease to 9.135 million cows, production per cow will be up 2.1%; the net effect would be a 2.5% increase in milk production to 41.8 billion pounds.

Milk Prices

Comparing the third quarter of 2002 to the second quarter of 2002, U.S. average milk prices were down $0.75/cwt. to $11.33/cwt. USDA projects that for the fourth quarter of 2002, U.S. average milk prices will be up $0.75/cwt. compared to the third quarter; including a $1.00/cwt. Class 4b price increase and a $0.25/cwt. Class 4a price increase.

Utility Cow Prices

Comparing the third quarter of 2002 to the second quarter of 2002, average U.S. utility cow prices were down $4.60/cwt. to a national average of $38/cwt. USDA projects that utility cow prices will stay at current levels in the fourth quarter of 2002.

Information from the USDA-NASS publication "*Milk Production*" and the USDA-ERS publication: "*Livestock, Dairy, and Poultry Outlook*."

Dairy Marketing Branch Moving in January

The Department of Food and Agriculture is currently housed in the building located at 1220 N Street (both the main building and annex section) in Sacramento. The main building will be vacated, gutted, and renovated beginning in January 2003. This renovation project is anticipated to be completed in 24 months.

During the renovation project, the Division of Marketing Services (including the Dairy Marketing Branch) and the Division of Inspection Services will be relocated to the Downtown Mall office space at 560 J Street (this move will take place in early January). The mailing address will remain 1220 N Street, however phone and fax numbers will be changing. Watch for details in upcoming issues.

In This Issue. . .

September Milk Production

Milk production in California for September 2002 totaled 2.81 billion pounds, up 4.1 percent from September 2001. USDA's estimate for U.S. milk production for September 2002 in the 20 major dairy states is 11.8 billion pounds, up 3.3 percent from September 2001. Production per cow in the 20 major states averaged 1,510 pounds for September, which is 38 pounds above September 2001.

Minimum Class Prices

Statewide average hundredweight prices

Class	October	November
1	$12.11	$13.34
2	$10.73	$10.73
3	$10.57	$10.57
4a	$10.10	-----
4b	$10.42	-----

Federal Order and California Minimum Class 1 Prices

Average Hundredweight Prices

Regions	October	November
Phoenix, Arizona	$12.50	$12.95
Southern California	$12.24	$13.47
Portland, Oregon	$12.05	$12.50
Northern California	$11.97	$13.20
Boston (Northeast)	**$13.40**	**$13.85**

Quota Transfer Summary

For October 2002, 6 dairy producers transferred 5,527 pounds of SNF quota. October quota sales averaged $517 per pound of SNF (without cows), an average ratio of 2.44. For November 2002, 2 dairy producers transferred 956 pounds of SNF quota. November quota sales averaged $526 per pound of SNF (without cows), an average ratio of 1.97.

Alfalfa Update: October

Northern California: Throughout October, Premium and Supreme alfalfa was steady to firm for higher-testing hay. Final cuttings of the season are testing high. Dairies are moving their focus from lower-end hay to higher-testing hay. Some hay was sold as winter take-out. Retail and Stable hay was steady with light to moderate demand. Fair and Good alfalfa was slow to moderate with a few buyers looking for barn-stored hay. Weather has turned quite cool.

Southern California: Supreme alfalfa not well tested and Premium alfalfa dairy hay was steady with buyers waiting for test results on current production before making commitments. Fair and Good alfalfa trading was steady to weak. Retail and Stable hay trading was mixed but mostly firm, with high quality hay hard to find. Weather has turned dramatically cooler.

Supreme Hay Prices

Statewide average prices per ton

Area	10/4	10/11	10/18	10/25
Petaluma	$150-155	$145-165	$150-156	$150-165
North Valley[1]	$140-157	$140-158	$145-160	$140-165
South Valley[2]	$145-162	$150-165	$148-172	$150-170
Chino Valley	---------	---------	---------	---------

[1] North Valley is Escalon, Modesto and Turlock areas.
[2] South Valley is Tulare, Visalia and Hanford areas.

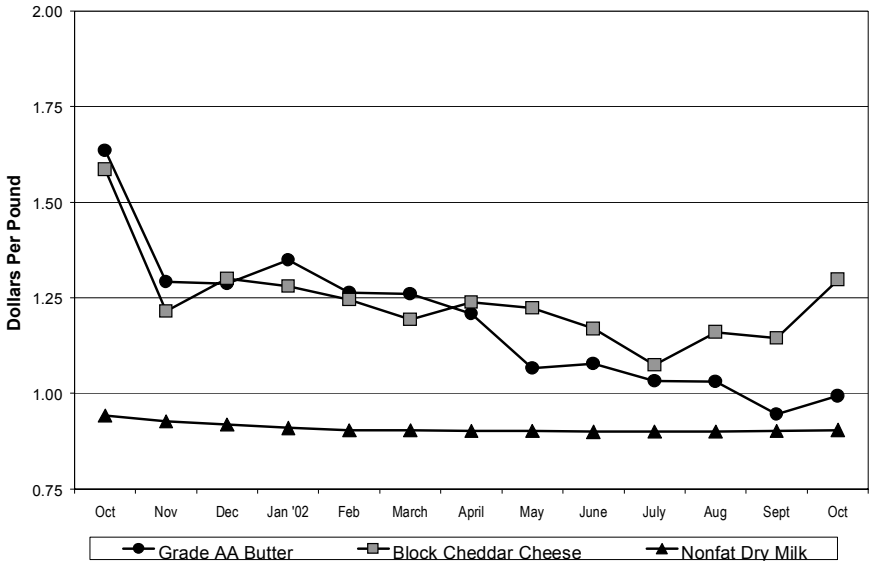
Alfalfa Hay Sales/Delivery

	September	October
Tons Sold[1]	199,415	158,140
Tons Delivered[2]	83,114	89,712

[1] For current or future delivery.
[2] Contracted or current sales.

Alfalfa hay sales, deliveries and Supreme quality prices per ton, delivered to dairies, as reported by the USDA Market News Service, Moses Lake, WA, (509) 765-3611, http://www.ams.usda.gov/marketnews.htm

Grade AA Butter, Block Cheddar Cheese, and Nonfat Dry Milk Prices Used in the Calculation of California Class 1 Milk Prices



How to Read a Producer Milk Statement

This is the first of our series on milk pricing in California. In this article, we explain the format of a basic milk statement and how to read the information that it contains. Match the letter positioned near each section of the milk statement to those at the bottom of the page for explanation.

Example Milk Statement for August 2002

		Pounds		Pounds
A	Production Base Fat	650	Production Base SNF	1,625
	Quota Fat	600	Quota SNF	1,500

		Milk Pounds Shipped	Fat Pounds Shipped	SNF Pounds Shipped
B	Total Receipts	1,500,000	52,500	131,250

		Days
C	Total Degraded Milkings	0
	Days Eligible for Quota	31

	Payment Calculations	Pounds	August Pool Prices	Dollars
	Quota Fat	18,600	$1.044	$19,418
	Quota SNF	46,500	$0.899	$41,804
D	Base Fat	1,550	$1.044	$1,618
	Base SNF	3,875	$0.704	$2,728
	Overbase Fat	32,350	$1.044	$33,773
E	Overbase SNF	80,875	$0.704	$56,936
	Unadjusted Gross			$156,277

A The number of pounds of quota fat and quota solids–not–fat (SNF) shown on your pool quota certificate indicate the amount of quota milk you are eligible to ship each day. Production base relates to your historical production for a specific time period.

B The total pounds of milk, fat and SNF shipped during the month.

C Any degraded milkings will be subtracted from days eligible for quota.

D
- To calculate quota fat or quota SNF, multiply the number of days eligible for quota by your quota allocation. For this example, quota fat is 31 days X 600 = 18,600 lbs.; quota SNF is 31 days X 1,500 = 46,500 lbs.
- To calculate base fat or base SNF, find the difference between quota and base fat or between quota and base SNF. Multiply the difference by the number of days eligible for quota. For example, base fat is 31 days X (650 –600) = 1,550 lbs.; base SNF is 31 days X (1,625 – 1,500) = 3,875 lbs.

E
- Any production of fat or SNF in excess of your quota allocation is overbase fat or SNF. If you have no quota, then all of your production is overbase. To calculate overbase fat, find the sum of quota fat and base fat and subtract from the total fat shipped. For example, overbase fat is 52,500 – (18,600 + 1,550) = 32,350 lbs.
- To calculate overbase SNF, find the sum of quota SNF and base SNF and subtract from the total SNF shipped. For example, overbase SNF is 131,250 – (46,500 + 3,875) = 80,875 lbs.
- The sum of quota, base and overbase amounts gives your unadjusted total.

(Continued on next page)

Milk Statement - *(Continued)*

To obtain an adjusted gross, you will need to locate the Regional Quota Adjuster (RQA) and transportation allowance rates on your milk statement.

- Subtract from your unadjusted total the RQA rate multiplied by pounds of quota owned.
- Add to your unadjusted total any transportation allowance rate multiplied by product pounds shipped.

Your adjusted total may be further altered by assessments for services, such as dairy inspections or hauling. Assessments are also collected for various agencies, such as Dairy Council, Milk and Dairy Foods Control, Milk Pooling, Dairy Marketing and any producer associations to which you may belong. Finally, assignments to feed companies or banks may appear on your milk statement. These are payments made automatically and directly to a designated entity.

CMAB Marketing Order Amended To Reflect Limited Brand Advertising Authority

Upon receiving a recommendation from the California Milk Advisory Board (CMAB), the Department has approved an amendment that officially incorporates into the CMAB Marketing Order language detailing the CMAB's right to make incidental references to brands when promoting California cheese, butter and ice cream. This amendment has been made in order to harmonize the CMAB Marketing Order's advertising provision with the statutory authorization for incidental brand references found in Section 58889(c) of the Food and Agricultural Code.

Please call Dennis Manderfield of the CDFA Marketing Branch at (916) 654-1245 if you have any questions.

Nominations for MPSTF Board

The Department of Food and Agriculture is seeking nominations for upcoming vacancies on the Milk Producers Security Trust Fund (MPSTF) Board. This board was established in 1987 to provide protection to dairy producers in the event of a payment default by a handler. The seven-member Board is comprised of three milk producers, two handler representatives, and two non-producer members representing cooperative associations of milk producers. On December 31, 2002, the appointments of four Board members (Richard Cotta, Gary Imm, Bill Van Leeuwen, and Alan Pierson) will expire. All of these incumbents are eligible for re-appointment. The Secretary is seeking nominations for two non-producer members representing cooperative associations, one milk producer member, and one dairy handler member to serve on the Board.

Before making appointments to the Board, the Secretary desires to obtain dairy industry input. Persons interested in serving on the Board should submit a letter to the Department of Food and Agriculture, Dairy Marketing Branch, expressing their interest. Letters should be received by Wednesday, December 11, 2002. Please contact David Ikari at (916) 654-1456 if you have any questions about the Board or nomination process.

Dairy Exemption Number Renewal Notices

The Bureau of Livestock Identification will be sending Dairy Exemption Number Renewal Notices at the end of the November. If your Dairy Exemption Number contains an LS98 or an LS8, it will expire on December 31, 2002. The cost to renew your Dairy Exemption Number is $50.00. If you do not receive your renewal notice by December 15th, or have any other questions, please call (916) 654-0889.

Dairy Herd Improvement Somatic Cell Count Study

Sources: R.H. Miller and H.D. Norman, Animal Improvement Programs Laboratory, ARS-USDA; Dairy Initiatives Newsletter, Volume 11, Issue 2, Summer 2002, University of Minnesota

Test data from herds enrolled in Dairy Herd Improvement (DHI) somatic cell testing during 2001 was examined to assess the status of national milk quality. The data shows that nationwide, the somatic cell count (SCC) has increased an average rate of 2,400 cells per ml each year since 1995. High SCC can lead to lower milk production, lower farm profitability, lower product yield at the milk plant, and poor product quality.

The following tables show the average number of cows per herd on test day, the average milk yield and SCC on test day, and percentages of herd test days that exceeded four levels of SCC (750,000; 600,000; 500,000; and 400,000 cells per ml) for each state during 2001. The current legal limit for bulk tank SCC for many states is 750,000 cells/ml for Grade A producers, with the lower limits shown proposed as future maximums.

Nationally, average SCC during 2001 was 322,000 cells/ml, higher than the 316,000 average in 2000. The percentage of herd test days that exceeded 750,000, 600,000, 500,000, and 400,000 SCC during 2001 was 4.9%, 10.6%, 18.2%, and 31.1%, respectively, increasing in every category from 2000. Average SCCs were lower in the West and higher in the Southeast. Since herd size and average daily milk yield have been on the increase, average annual increases in SCC combined with the increase in the number of herd test days above 750,000 cells/ml, could lead to concern about the quality of U.S. milk.

What can you do about your high herd SCC?

- Keep teat surfaces clean and prevent bacteria from entering the teat end.
- Do individual cow SCC tests monthly to identify herd trends and pinpoint the infected cows.
- Run a monthly bulk tank culture through a reliable laboratory to find out what kinds of bacteria are causing mammary infections.
- Ask your veterinarian, milk plant field rep, milking equipment dealers, and Extension educator to help you reduce SCC.
- If your bulk tank culture shows contagious mastitis pathogens (staph aureus, strep ag, or mycoplasma), identify the culprit cows by individual cow culturing.
- If your bulk tank culture shows environmental pathogens (non-ag streps, coliforms, or staph species), improve bedding management. Daily, replace the bedding in the back half of the stalls with fresh, clean bedding. If you use sand bedding, add fresh, clean sand at least once per week.
- Include a pre- and post-milking teat dip, 10 to 20 seconds of cleaning, at least 30 seconds of contact time for the teat dip, and a thorough teat-end wiping before attaching the milking unit.
- Treat every quarter in dry cows with an approved dry cow intramammary tube.
- Consider using a dry cow barrier dip.
- Forestrip during cow prep to identify high SCC quarters and keep milk from these quarters out of the bulk tank.

SCC Risk Quiz

Studies have shown the following are characteristics of low SCC herds (<150,000 SCC). Give your farm a score of 1-5 for each item, with 5 being the best, 1 the worst.

___ Cows have no visible manure or dirt on flanks, udder, or lower rear legs and feet.

___ Udder hair is removed every 3 months.

___ Stalls are cleaned frequently. Soiled bedding is removed at each milking. Fresh organic bedding is added daily, sand added weekly.

___ Generous amounts of bedding are used.

___ Dry cows are checked daily for evidence of clinical mastitis.

___ Calving pens are clean. Pens are completely cleaned and fresh bedding is added between calvings.

___ Milking parlors are clean with no buildup of manure or dirt on milking equipment.

___ Milk is kept out of the bulk tank at least 48 to 72 hours after calving.

___ Post-milking teat dip is used consistently.

___ All quarters of dry cows are dry-cow treated.

___ Transition diets and nutrient supplementation are used for springing heifers, dry, lactating cows.

___ Producers and employees keep abreast of current practices to improve milk quality and udder health by reading and/or attending workshops.

___ Detailed herd records, including clinical mastitis treatment records, are kept.

___ Milkers enjoy milking cows.

___ Emphasis is on getting the job done right rather than getting the job done quickly.

SCORE:

61-75: Excellent, Keep up the good work!

46-60: Good job. However, there is still room for improvement.

31-45: Fair: Time to get serious about milk quality.

<30: Poor.

(Continued on page 6)

Characteristics of DHI Herd Test Days for Milk Yield and SCC of Milk by State, 2001

State (Bold indicates top 10 milk producing states)	Cows [1] per herd	Average daily milk yield	Average SCC	Herd test days with SCC greater than: 750,000 cells/ml	600,000 cells/ml	500,000 cells/ml	400,000 cells/ml
	(no.)	*(lb)*	*(cells/ml, 1000's)*	*(%)*	*(%)*	*(%)*	*(%)*
Alabama	108.5	51.8	444	9.5	21.0	36.8	57.1
Arizona	669.8	68.1	360	3.3	10.0	18.4	29.9
Arkansas	54.8	51.7	486	16.2	26.2	36.0	56.0
California	449.9	73.7	298	2.2	5.4	10.5	21.0
Colorado	211.6	78.2	312	2.8	5.7	12.0	21.6
Connecticut	71.5	69.6	310	2.6	7.3	14.2	26.1
Delaware	101.2	68.5	386	3.0	12.4	23.8	42.3
Florida	197.0	66.3	548	19.6	36.2	52.7	76.3
Georgia	86.2	62.8	407	6.7	16.8	30.5	50.2
Idaho	227.8	75.3	320	5.1	9.0	14.2	24.7
Illinois	54.0	65.0	322	3.5	8.0	14.6	26.7
Indiana	48.3	64.3	343	5.0	11.4	19.5	33.3
Iowa	47.1	65.5	333	4.7	10.1	18.0	31.6
Kansas	56.0	62.4	476	16.7	28.1	40.0	56.8
Kentucky	54.9	59.4	413	8.2	17.2	28.9	47.3
Louisiana	62.5	53.9	479	11.5	28.0	44.6	64.0
Maine	54.8	64.4	290	2.5	6.5	12.3	22.5
Maryland	66.9	67.5	351	4.5	10.7	20.4	35.9
Massachusetts	59.4	65.6	308	3.5	9.1	15.3	26.9
Michigan	70.1	70.0	287	2.9	6.8	12.7	23.4
Minnesota	53.5	66.4	420	10.6	21.2	32.6	48.5
Mississippi	89.7	60.4	442	6.7	20.6	35.0	58.3
Missouri	48.4	58.0	437	12.2	22.4	33.0	49.1
Montana	83.0	74.3	248	0.4	3.5	5.8	10.6
Nebraska	64.2	64.3	443	15.2	24.3	34.4	50.8
Nevada	214.6	71.1	330	2.5	4.3	8.6	26.5
New Hampshire	72.4	72.0	299	2.4	5.3	10.9	20.0
New Jersey	65.2	67.4	339	4.2	10.3	20.4	31.9
New Mexico	587.0	74.2	311	3.0	11.8	19.4	29.5
New York	66.9	67.3	280	2.9	6.7	12.2	22.7
North Carolina	84.7	66.9	364	4.4	11.6	21.2	36.9
North Dakota	56.9	62.1	344	6.1	12.8	22.0	35.3
Ohio	57.9	65.8	327	4.7	11.1	18.8	32.2
Oklahoma	62.8	59.8	483	14.2	26.0	37.9	52.9
Oregon	128.9	71.7	286	1.3	3.5	7.1	16.2
Pennsylvania	47.0	66.7	317	3.0	7.8	14.5	27.2
South Carolina	120.5	61.3	404	6.7	14.2	26.5	47.0
South Dakota	52.3	64.3	459	12.3	21.7	33.9	48.2
Tennessee	64.0	59.0	413	8.2	18.7	31.7	51.3
Texas	222.5	64.8	342	2.5	6.8	14.8	32.0
Utah	106.0	74.8	284	3.0	6.6	11.9	23.2
Vermont	61.1	65.6	302	2.9	6.8	12.9	24.0
Virginia	81.0	67.3	333	2.9	7.7	15.2	28.9
Washington	175.0	78.5	275	1.3	3.0	6.1	13.5
West Virginia	66.0	61.5	422	9.1	19.7	31.4	48.5
Wisconsin	53.2	69.5	297	3.3	7.8	14.1	25.4
United States	**79.1**	**69.0**	**322**	**4.9**	**10.6**	**18.2**	**31.1**

[1]Cows with usable records (less than total cows on test).

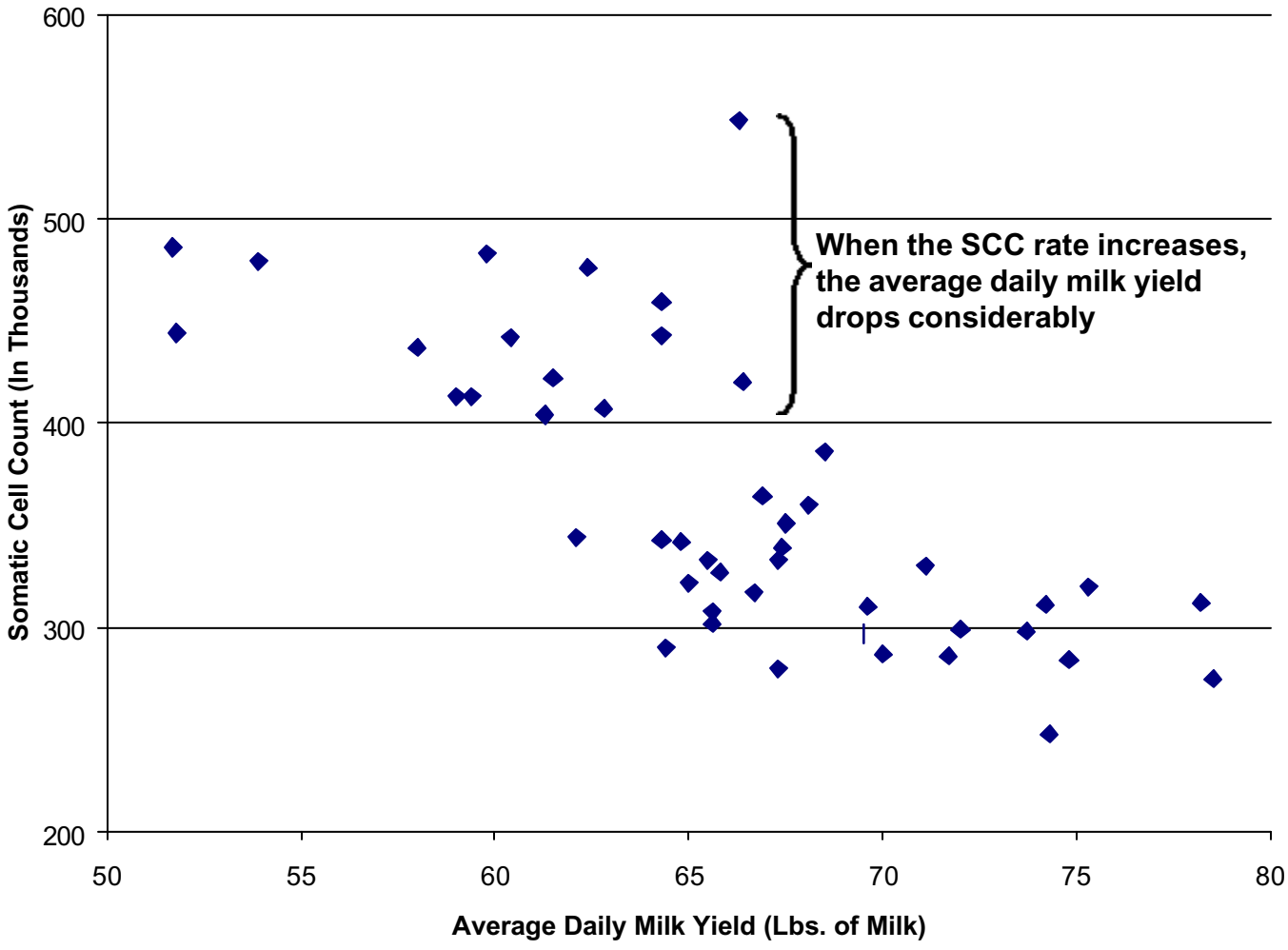
(Continued on page 7)

National Averages of Herd Test Days for Milk Yield and SCC of Milk - by Year

Year	Cows[1] per herd	Average daily milk yield	Average SCC	Herd test days with SCC greater than: 750,000 cells/ml	600,000 cells/ml	500,000 cells/ml	400,000 cells/ml
	(no.)	*(lb)*	*(cells/ml, 1000's)*	*(%)*	*(%)*	*(%)*	*(%)*
1995	50.0	65.3	304	4.1	9.3	16.0	27.2
1996	55.5	64.7	308	4.1	9.2	16.1	27.8
1997	57.4	66.4	314	4.2	9.5	16.6	28.8
1998	60.8	66.8	318	4.5	10.1	17.8	30.3
1999	67.0	68.2	311	4.3	9.7	17.1	29.8
2000	73.3	69.1	316	4.1	9.4	16.8	29.5
2001	79.1	69.0	322	4.9	10.6	18.2	31.1
Annual trend	**+4.7**	**+0.8**	**+2.4**	**+0.1**	**+0.1**	**+0.3**	**+0.6**

[1] Cows with usable records (less than total cows on test).

Impact of Somatic Cell Count On Production Per Cow



SAFE Program Debuts in early 2003

The California Feed Inspection Advisory Board met in October and considered a proposal to initiate a safe animal feed and education (SAFE) program. It is anticipated that a SAFE program will be initiated in early 2003. Since there have been some recent animal deaths and health problems associated with on-farm mixing of feed, one of the first areas that will be addressed is education and training of feed mixing on-farm.

The Department's Feed Inspection Program and the feed industry will be working cooperatively to develop the SAFE program. Input and participation by the dairy and other animal agriculture industry will also be solicited to assure education and training activities are suitable and beneficial to achieve the production of safe animal products for the consumer. More information on the SAFE program will be available in the next few months.

Milk Stabilization Assessments

The California Food and Agricultural Code authorizes the Secretary of Food and Agriculture to establish a maximum total assessment of two and four-tenths cents ($0.024) per hundredweight of market milk sold in commercial trade channels to fund the operations of the Dairy Marketing Branch. Due to adequate cash reserves, the Milk Stabilization assessments of market milk to fund the operations of the Dairy Marketing Branch were discontinued as of November 1, 2001, and have remained off for the past year. The fund balance is now at a level that deems it necessary to re-implement assessments effective December 1, 2002. The rate of assessment will be set at one and five-tenths cents ($0.015) per hundredweight, two-thirds of which is assessed to producers of market milk and one-third to handlers of market milk.

School Milk Pilot Test Findings

In September, the National Dairy Council and American School Food Service Association published findings from a year-long study involving more than 100,000 students in 146 schools. The study revealed that milk sales increased in 22 percent of secondary test schools and 15 percent of elementary test schools after enhancements in milk packaging and merchandising, flavors, varieties, and temperature, were made. Not only did milk sales increase, but participants drank more of the milk they took. The participants showed a clear preference for plastic packaging over traditional milk cartons, reporting that it is "easier to open," easier to drink from, cooler in temperature, and more appealing in appearance. In addition, at the high school level, the 10-ounce bottle was made available because students considered the 8-ounce bottle too small. When offered, it was found that students drank a significant amount of the additional two ounces. Introducing a third flavor, usually strawberry, was considered instrumental in the increase in consumption.

In the face of decreasing Class 1 utilization, escalating rates of childhood obesity and heightened public concern about the nutrient quality of foods in schools, the dairy industry has an opportunity to significantly improve milk consumption and sales at the school level simply by enhancing milk offerings. Not only would increased milk consumption be a boost to the dairy industry economy, but it could also be a way to counteract the current rise in consumption of soft drinks and other beverages.

In a related story . . .

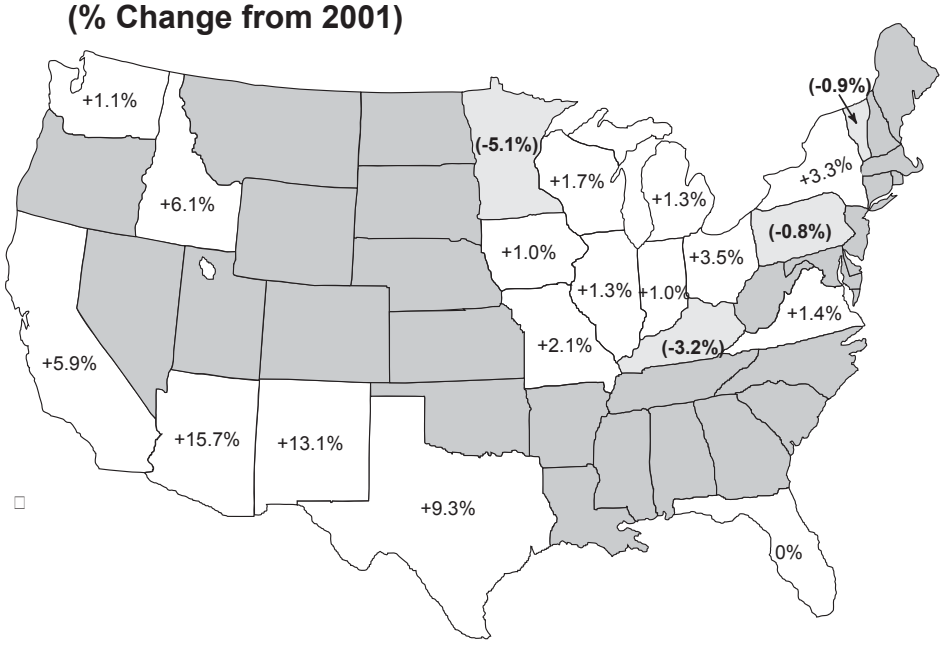
Grant Awarded for Milk Vending Machines Pilot Project

The $100,000 Buy California grant award project will provide vending machines offering "chugs," the new single-serving milk containers, in several flavors to high school students at Turlock High School, then to other Stanislaus County schools if successful. Increased milk consumption would help address the "calcium crisis." The project shows promise for the youth market, which has responded well to the new "chug" containers and flavored milks. This pilot project is aided by the donated services of a project manager, as well as time and effort donated by the local Future Farmers of America chapter (an estimated in-kind contribution of $30,000). The project is supported by the California School Food Service Association, the California Milk Advisory Board, the Dairy Council of California, Yosemite Farm Credit and Foster Farms Dairy.

September Milk Production in the Top 20 States
(% Change from 2001)

For the U.S. overall, September 2002 compared to September 2001:

- Milk production during September was up 3.5%
- The number of cows on farms was 9.15 million head, up 67,000 head
- Production per cow averaged 1,485 pounds, 40 pounds above September 2001 (+2.8%)



$1500 Incentives Available for Qualified Variable Speed Drive Installations

The California Public Utilities Commission, in an effort to save electricity and energy costs, has initiated a rebate program available to California dairy producers that install a variable speed drive (VSD) on their milking vacuum pumps. EnSave Energy Performance, Inc. (EnSave) is operating this project and will be selecting 100 California dairy farms that have not yet installed VSDs on their milking vacuum pumps. Once you apply, are notified of your acceptance into the program, and your equipment dealer has installed your VSD, EnSave will then issue the $1500 rebate. Participating producers must be an electrical customer of Pacific Gas & Electric, San Diego Gas & Electric, or Southern California Edison in order to qualify for the rebate. This rebate program, which is funded by California ratepayers, is offered on a first come, first serve basis while funding lasts. Funding is available at this time for 100 dairy farms.

EnSave will process the applications, including estimating how much electricity will be saved by using the VSDs. It is estimated that energy savings will pay for the cost of installing the VSD in 10 months to 3 years. For an application and detailed information, contact EnSave at 1-800-732-1399.

Milk Production Cost Index for California

HUNDREDWEIGHT POOL PRICES

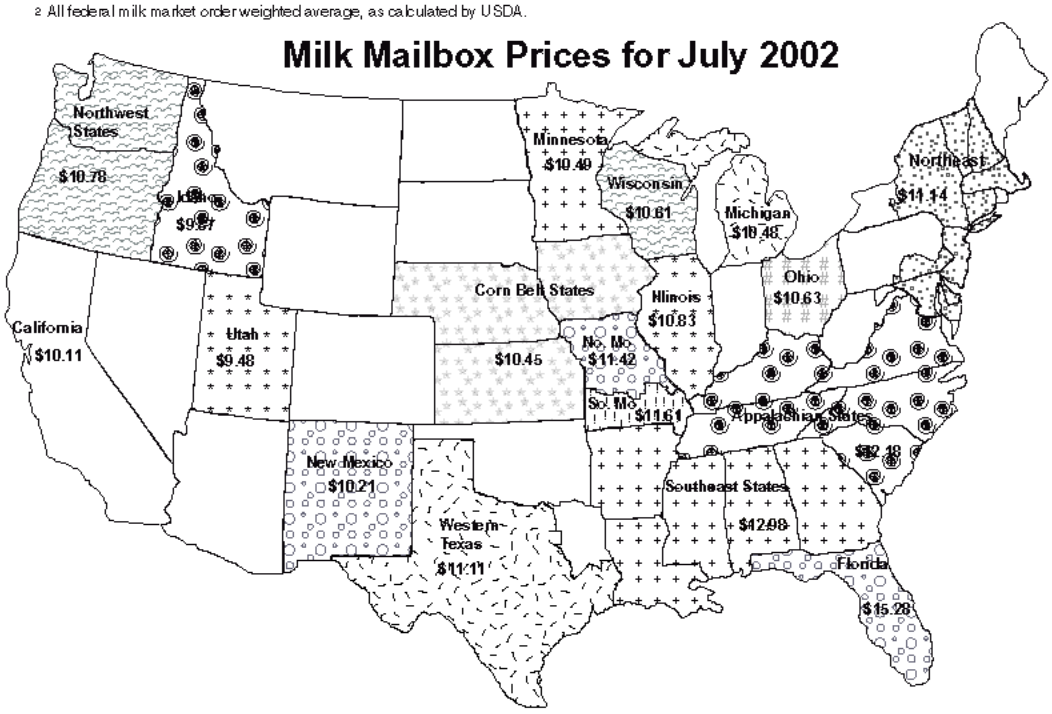
Month	Quota	Overbase
May '01	$15.70	$14.00
June	$16.46	$14.76
July	$16.35	$14.65
August	$16.70	$15.00
September	$16.95	$15.25
October	$14.71	$13.01
November	$13.67	$11.97
December	$12.93	$11.23
January '02	$13.18	$11.48
February	$12.53	$10.83
March	$12.37	$10.67
April	$12.41	$10.71
May	$12.06	$10.36
June	$11.60	$ 9.90
July	$11.28	$ 9.58
August	$11.48	$ 9.78
September	$11.58	$ 9.88

Milk Mailbox Prices in Dollars per Hundredweight

	Jan '02	Feb	March	April	May	June	July
California [1]	$12.48	$11.73	$11.46	$11.37	$10.98	$10.44	$10.11
USDA [2]	$13.34	$12.91	$12.39	$12.16	$11.83	$11.33	$10.95

[1] California mailbox price calculated by CDFA.

[2] All federal milk market order weighted average, as calculated by USDA.



In July 2002, mailbox milk prices for selected reporting areas in Federal milk orders averaged $10.95 per cwt., $0.38 less than the figure for the previous month. On an individual reporting area basis, mailbox prices increased or were unchanged in 4 reporting areas and decreased in 13 reporting areas; and, ranged from $15.28 in Florida to $9.48 in Utah. In July 2001, the Federal milk order all-area average mailbox price was $16.00, $5.05 higher.

William (Bill) Lyons, Jr.
Secretary

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